



STATE OF CALIFORNIA
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STEVE WESTLY
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MEMORANDUM

To: Gerald H. Goldberg

From: Titus S. Toyama

Subject: Board Approval for Contracts Exceeding \$1 Million

April 11, 2003

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for purchases exceeding \$1 million. The following are the proposed purchases:

- **Security Services** - Single-year contract for the continued receipt of un-armed security guard services for the FTB Central Office Complex (Phase I and II) and off-site California district office locations. These services are required to protect department property and provide employee safety. The estimated one-year cost for services is \$2,340,000. These services will be procured through an approved DGS Master Service Agreement.
- **IBM** - Annual license with IBM for the continued licensing and maintenance of their software products on our mainframe computer. These are proprietary industry standard software products that serve as the backbone for our Department's operating system platform. The estimated cost for a one-year contract is \$1.6 million. Without this platform, the Department would not be able to perform any of its revenue generating functions nor any of its various collection related or administrative tasks that involve our mainframe computer. Per Management Memo 02-19, a Non-Competitive Bid Contract Justification (NCB) request must be processed and approved to implement this procurement.
- **Electronic on-line information library** - Single-year contract for the continued receipt of electronic on-line information. Electronic on-line information libraries are used for the economical and efficient research of tax laws, regulations, governmental codes, current news, legislation, court actions and decisions, public records and other data required for the resolution of administrative and tax processing activities for the department. The estimated cost for this one-year agreement is \$980,000. These services will be procured through an approved DGS Master Service Agreement.

Please note that the contracts for are proposed as single-year agreements. This will allow the Department to continue to receive necessary and important services.

If you have any questions please contact me at 845-4106.

Chief Financial Officer

Attachment

CONTRACT PENDING BOARD APPROVAL

DESCRIPTION	CONTRACT TYPE	ESTIMATED DOLLAR AMOUNT	ESTIMATED CONTRACT AWARD
PROPOSED CONTRACT OVER \$1,000,000: (See attached memo for details)			
Security Services – One-year contract for unarmed security guard services.	MSA	\$2,340,000	7/1/2003
IBM – One-year contract for annual mainframe software maintenance renewal	DGS Approved	\$1,600,000	7/1/2003
Electronic on-line information - One-year contract Information Libraries	MSA	\$980,000	9/1/2003